

ISSUES

Bitcoin's Big Move – With More to Come

By Matt McCall and Charlie Shrem November 13, 2020

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Bitcoin isn't quite a teenager yet, but it's getting there.

Two weeks ago today – October 31 – marked the 12th anniversary of the infamous white paper that started it all. The very same white paper that Charlie was one of the first to receive and read. The one that changed his life and is now changing the lives of so many others.

And like most pre-teens, life is starting to get pretty wild for bitcoin as the awakening continues. The unstoppable mass adoption is ongoing, and with it the rare opportunity to make huge profits in cryptocurrencies.

Bitcoin celebrated its birthday in style, as the big news this past month has been its consistent breakouts to prices not seen in over two years. The only other time bitcoin has traded at current levels was the massive rally from late 2017 into January 2018 when it hit its all-time high just over \$20,000.

Just today, the world's largest cryptocurrency traded above \$16,400 for the first time since January 2018. It has popped over 40% in the last month and well over 100% in 2020. Since its brief dip down near \$4,000 in March when everything sold off, bitcoin has surged nearly 300%.



We expect blockchain's increasing adoption and increasing attention to continue for a long time. This most recent rally in the last month has been fueled by a number of high-profile headlines.

Perhaps the biggest of all... PayPal's crypto trading service and payment option went live in the U.S. yesterday. PayPal plans to offer cryptocurrency payments at 26 million merchants around the world. The trading limit is \$20,000 per week – that's still \$1.04 million per year – and will likely increase over time. Actually, it already increased once. The original limit was announced at \$10,000 but the company rolled out at \$20,000 instead.

It would be hard to overstate the importance of this breakthrough development. Charlie (@CharlieShrem) tweeted: "PayPal validating bitcoin will be the shot that's heard round the world." The original announcement came about three weeks ago, quickly hitting the mainstream media and giving bitcoin and altcoins another layer of legitimacy.

Here Comes the Big Money

Earlier in the week, Matt (@MatthewMcCall) tweeted about another important headline when billionaire hedge fund guru Stan Druckenmiller revealed that he owns bitcoin.

“This is bigger than you think!” he said.

Druckenmiller did say that he has a much larger holding in gold, but he also said, “If the gold bet works, the bitcoin bet will probably work better...”

Most important is “old Wall Street” starting to join the cryptocurrency party. This is huge. It’s the beginning of the snowball effect – as more big money makes its way into cryptos, even more money will follow. That’s why you’re smart to invest now.

If there is one certainty on Wall Street, it’s that they are sheep that follow each other. With Druckenmiller the latest big name to make the move... expect more in the near future.

In fact, well-known mutual fund manager Bill Miller recently stated that he “strongly” recommends bitcoin at the current price. He gained fame managing the Legg Mason Capital Management Value Trust fund, which at point beat the S&P 500 15 years in a row. This is another who wouldn’t even comment on cryptos a few years ago and is now backing bitcoin.

The rash of big-name investors and institutions making their way into bitcoin and the cryptocurrency sector is just beginning. Matt has a money management business, and he can tell you firsthand that the word is spreading. As more wealthy clients reach out to their advisors about cryptos, it will force them to make a move. In Matt’s own experience, fewer than 5% of clients asked about cryptos two years ago. Today, it is about 75%.

Speaking of institutions, Deutsche Bank, the largest financial company in Germany, released a report this week laying out steps to recover from the pandemic. The bank states that central bank digital currency (CBDC) will eventually replace cash over the long term. Yet another big bank joining the movement.

The New Gold

With governments expected to print more money in the next few years than maybe ever before, we expect bitcoin and cryptocurrencies to skyrocket (as well as real estate and

some other assets). Gold used to be the go-to investment in this situation, but there is more talk about bitcoin becoming the new gold.

Depending on which report you read, the value of all the gold in the world is worth about \$10 trillion. In comparison, bitcoin is worth about 3% of that, or \$300 billion. For bitcoin to grow to even *half* the size of the gold market would require a gain of more than 16X.

That would put bitcoin at around \$271,000 per coin!

The Next Altcoin Explosion

We're not calling for bitcoin to hit \$271,000 anytime soon, but a new all-time high above \$20,000 could easily be right around the corner. We believe it will happen in the coming months – if not sooner.

As great as that is for bitcoin, it's even better for the altcoins in the portfolio. As bitcoin goes, so goes the altcoins, but with even bigger potential. They are the software programs of the future, and it is just a matter of time until the next altcoin explosion to the upside.

Now is the time to buy, which is why we congratulate you on your own awakening to cryptocurrencies. We are confident you will look back on this time and be incredibly glad you did – and thankful for the money you've made.

Updates on Our Recommended Coins

We've started our crypto portfolio with four coins, and while they lag bitcoin at the moment, our outlook on each has not changed. In fact, any weakness makes them even stronger buys, so you still have a great chance to get in at good prices.

And stay tuned. We're constantly surveying the altcoin landscape and will be adding coins in the coming months as we get more great opportunities.

Here's a look at our current coins:

Electroneum (ETN) is revolutionizing cross-border transfers with virtually zero cost. It's also fighting fraud by becoming the world's first crypto project to voluntarily adopt AML/KYC – anti-money laundering/know your client. As a result, the platform is attracting new users quickly. Sign-ups are surging, with nearly 9,000 users per week. The number of people who have downloaded the Electroneum app blew past two million and is now closing in on three million.

The cryptocurrency has also announced several other headline items over the last month. First, it integrated into Host Havoc, which is one of the largest gaming services in the world. And it also recently became the first crypto partner with LockTrip – the European travel website based on the blockchain. Electroneum will now be listed as a direct payment option on the website, which has more than 2.1 million accommodations spanning approximately 190 countries. **ETN remains a good buy up to \$0.0055.**

Polkadot (DOT) enables cross-blockchain transfers of any type of data or asset – not just tokens. Connecting to the platform gives you the ability to interoperate with a wide variety of blockchains in its network.

In fact, early next year Interlay will introduce Polkadot's first trustless wrapped bitcoin (PolkaBTC), which will add to the seamless interoperability of the cryptocurrency. Just so you know, "trustless" is not a bad thing in this case. It was started by bitcoin and allows data to be verified on a public blockchain – meaning you don't need to trust anyone else for it to work. The blockchain does it for you.

The project recently introduced Bounty Extension on both its and Kusama's networks. (Kusama was an early released version of Polkadot's code, although they work independently of each other.) The extension allows curators to autonomously allocate Treasury funds to projects that bring value to the ecosystem. Polkadot has a lot of new projects – such as Deficliq – that are launching on its platform to attract new users. **DOT – the potential Ethereum killer – remains a good buy as long as it's trading below \$6.**

Tron (TRX) is one of the largest blockchain-based operating systems in the world. Often compared to Ethereum, Tron's ecosystem has been growing rapidly. And CEO

Justin Sun is constantly adding more into it. The latest addition to the platform is JustWrapper – a regulation friendly dApp (decentralized application).

Today, the Tron platform handles 2,000 transactions per second... every second of every day. It's currently ranked the 16th largest coin with a market cap of \$1.281 billion, and its nearly 13.5 million holders help boost its strong ecosystem. With great things clearly ahead, **keep buying TRX below \$0.03.**

Uniswap (UNI) is a decentralized protocol for automated liquidity provision on the Ethereum blockchain. It recently partnered with Trust Wallet to allow trading on its platform. Another integration being talked about is with Trading View, which would enable users to actively chart out and utilize more advanced trading tools when observing the coin.

There are currently more than 88,000 holders of Uniswap, and it's only growing stronger. Helping boost its exposure is the fact that it's also listed on Dharma, so users can purchase the coin directly from their bank accounts. **Buy UNI up to \$6.**

One final note: Uniswap is also available on Binance.US, and we have good news for our subscribers in North Carolina. Binance.US is now available to eligible residents of the Tarheel state. The major cryptocurrency exchange is now in all but nine states in the U.S., and we expect most or all to ultimately get on board. At some point, states with backward laws will have to bend to the demand of their citizens.

A Letter From Charlie: Bitcoin's Birthday

Bitcoin turned 12 years old this year, and as I do every year, I reflect back on a story that I think about often. At a time when we are stuck home, it's fun to go back and think about simpler times.

The year was 2013... and the location was London.

Almost everybody who was anybody in bitcoin converged at the London conference. An editor with TechCrunch Europe tweeted the following:



I'm one of those geeks... although, there's no way I'd call myself a "super geek."

My thing is communication. I jump in, bring people together, and solve problems. Yeah, I can be too blunt from time to time. But I'm good at bridging the gap between suits and guys like me who are serious about technology.

Geeks went to London to see what other developers were doing. We went to ask for help, because many of us were in our 20s and had little experience running businesses. We went to find whatever we needed. Whether it was money. Or advice regarding the byzantine maze of government regulations. Or fresh perspective on tactical decisions. Bitcoin was new to everyone in those days, and I used to say that it was in its elementary days.

We went because techies need playdates. We can all understand this especially now in the COVID-19 era. At home we eat, drink, and hunt for love in front of our computers. And – yes, it's true – we con ourselves into believing that video Skyping is real face-to-face interaction. We went to Bitcoin London for the sensory experience of getting drunk, backslapping, and sharing awesome meals with good friends. Way different than scarfing down the usual crap alone at our desks.

Many of us went to reminisce about the days before 2013, when bitcoin didn't have conferences. Days when we – the brotherhood of geeks, the future of great things everywhere – were the only ones who understood what a cryptocurrency was. Or how to buy bitcoins. Or where to spend them.

We went to congratulate each other for taking bitcoin mainstream, for moving beyond Silk Road – the druggie website that gave us legs at the beginning. Nobody was whispering about its founder anymore, the mystery man we knew only as “Dread Pirate Roberts.” Bitcoin was way beyond that.

We went to talk strategy. Should we end-run the governments or figure out how to comply with their crazy rules and regulations?

I was in the comply camp. But no matter how we split over this debate, we agreed that central banks were reckless. They were printing notes willy-nilly with no regard for tomorrow. It was up to us to give people control over their own money.

We went with a heartfelt purpose. Because every one of us agreed with Bitcoin Jesus, otherwise known as Roger Ver. He said, “Bitcoin is the most important invention in the history of the world since the internet.”

Roger was my first outside investor and a great friend. When he heard about the benefits of bitcoin – relative anonymity, no fees, no banks to freeze accounts – he didn’t sleep for three days. He made himself sick with enthusiasm and later earned his nickname by giving away bitcoins just to spread the word.

“Bitcoiners” don’t have one central leader. But Roger’s unflagging commitment defines who and what we are as a community. The month before the conference, he leased a billboard between San Francisco and San Jose, shelled out \$1,500 per month for a prime location, and threw down the gauntlet. He advertised bitcoin as the “honey badger of money.”

His message: We’re here to stay.

The reference is to a loopy video that went viral on YouTube back in 2011. It’s got 66 million views and counting! (You can [click here](#) to watch it if you’re interested.) The narrator – his voice a mix of sarcasm and reverence – describes the fearlessness of an animal that chases cobras into trees and devours them. Honey badger was everywhere during Bitcoin London, a constant reminder that nothing could stop us.

No wonder we’re scary to people like Paul Krugman, the economist who wrote an op-ed in the *New York Times* entitled “Bitcoin is evil.”

Guys in suits didn't get us... which is fine because nobody under 25 reads their columns anyway, unless there's a link on *Hacker News*. They don't come to our conventions. They don't hear our success stories. Like when I sent \$50,000 in bitcoin via text to China because a family in New York couldn't rely on banks to wire money in time for an emergency operation.

It beats me why anybody thought bitcoin was evil. Maybe it's because of the people behind it. We're brash. We keep weird hours. We're intense. We get wrapped up in our work. We forget to shower... to shave... and sometimes even to eat. We have a hard time communicating with people who don't have a clue about coding.

People can think whatever they want about us.

We're good. We're pure. We're genuine.

Or we're evil. We're cultish. We're a mob of snot-nosed kids... crude, socially unacceptable blowhards who think we know more than we know.

I hope I know what you decide.

I went to London those many years ago for one delicious, irresistible reason.

Bitcoiners are my people.

And Now Look Where We Are...

Matt here with just a quick follow-up to Charlie's reflection on bitcoin's birthday.

Remember, Charlie was one of bitcoin's pioneering advocates. He started one of the first exchanges, making it easy for the masses to buy and trade bitcoin. He was one of the founding members of the Bitcoin Foundation, aimed at bringing mainstream awareness to digital currencies, as well as several key businesses that promoted the use of digital currencies.

Charlie had the foresight when he read the white paper that started it all to see how bitcoin and blockchain had the potential to change America and even the world in big

ways. I joined him a few years later, and we are now at the most exciting time in history for cryptocurrencies.

More and more people want a piece of the action, from the world's wealthiest people to the big institutions to individual investors – even central banks. Cryptocurrencies are easier than ever to use to buy goods and to trade.

It's all part of the Awakening that will lead to increased demand in sought-after coins, most of which have limits on their supply. That means higher prices and potentially life-changing profits for investors like us who are in early.

Charlie saw this day coming, and now we're here. We have some fun and profitable years ahead of us.

Sincerely,



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